

# INTERVENTION ORIGINAL



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August 2, 2011

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AUG 2 2011

DOCKET No. W-04254A-11-0296  
Montezuma Rimrock Water Company

DOCKETED BY

RE: Motion to Intervene

I wish to intervene in the emergency rate increase filed July 25, 2011 by the Montezuma Rimrock Water Company, W-04254A-11-0296.

I also request that a public hearing be held to hear arguments, evidence and testimony opposed to the company's request for an emergency rate increase.

I am an intervener in W-04254A-08-0362 and W-04254A-08-0361 involving MRWC and have submitted substantial documentation opposed to the company's application for private financing in lieu of a WIFA loan. On July 20, 2011, I submitted a Motion seeking a Show Cause Hearing supplemented with substantial documentation including evidence the company failed to disclose a \$32,000 long term debt on annual reports.

The company's request for an emergency rate increase is directly related to W-04254A-08-0362 and W-04254A-08-0361 and therefore my standing as an intervener should be extended to the emergency rate case.

At a July 22, 2011 Procedural Conference on W-04254A-08-0362 and W-04254A-08-0361, MRWC was ordered to file by September 22, 2011 "a document explaining **in detail** how the arsenic treatment facilities necessary to bring its system's water into compliance with the MCL for arsenic will be financed **and providing copies** of all documents necessary to obtain a full understanding of any financing to be obtained from any entity. **If Montezuma Rimrock is not to obtain financing** from a financial institution or another entity, Montezuma Rimrock shall explain **in detail** how and when Montezuma Rimrock will remedy its system's arsenic MCL exceedance."

On July 25, 2011, MRWC stated in its request for an emergency rate increase it cannot obtain funding from a private financial institution: "MRWC has sought funding from private financial institutions only to be informed that the company's current cash flow is inadequate for the Debt Service Coverage." MRWC now seeks a \$37,536 (38 percent) rate hike in order to "meet cash flow requirements and thus provide the \$165,000 debt service of the loan."

The emergency rate increase, therefore, is critical to the company's ability to meet the September 22, 2011 deadline in W-04254A-08-0362 and W-04254A-08-0361. During

the July 22 procedural hearing, ACC staff attorney Charles Haines stated that ACC staff would **not** be in support of an MRWC application for an emergency rate increase.

The applicant chose not to notify me that the company had filed an emergency rate increase even though such an action is directly related to the proceedings in W-04254A-08-0362 and W-04254A-08-0361. The applicant and her attorney could have provided notice in person during a July 29 hearing in Verde Valley Justice Court, but chose not to.

I first learned of the company's application for an emergency rate increase from an ACC staff email sent at 3:04 p.m., August 1, 2011 alerting me that a procedural conference on the request had been scheduled for August 10, 2011. Docket Control posted an ACC staff notice scheduling the procedural conference at 2:35 p.m. on August 1.

The August 10 date of the procedural conference makes it impossible for my request to intervene in this matter to be approved before the procedural conference takes place.

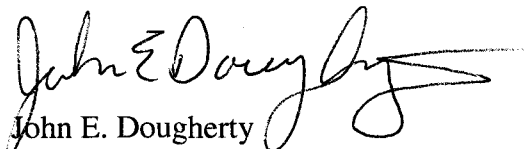
I have filed this motion to intervene within 24 hours of the scheduling of the August 10 procedural conference on the emergency rate case and my first notification that an application for an emergency rate increase had been filed.

***Therefore, I respectfully request that the ACC staff postpone the August 10, 2011 procedural conference until after my application to intervene has been processed and approved.***

Such a minor delay (as short as five days) will not significantly hinder the company's request for an emergency rate increase and will ensure that my right to intervene in a case that is directly related to another case where I'm already recognized as an intervener is fully protected.

I hereby certify that a copy of this Notice of Intervention has been mailed to the Montezuma Rimrock Water Company, PO Box 10, Rimrock, AZ, 86335 and to its attorney, Douglas C. Fitzpatrick, 49 Bell Rock Plaza, Sedona, AZ 86351. Dated at Phoenix, Arizona on this 2<sup>nd</sup> Day of August, 2011.

Sincerely,

A handwritten signature in black ink, appearing to read "John E. Dougherty", with a stylized flourish at the end.

John E. Dougherty  
PO Box 501  
Rimrock, AZ 86335  
602-710-4089